

SENATE BILL 151

B2

71r1560

By: **Senator Britt**

Introduced and read first time: January 25, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt – Prince George’s County – North Brentwood Town**
3 **Hall and Recreation Facility**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$500,000,
5 the proceeds to be used as a grant to the Mayor and Town Council of the Town
6 of North Brentwood for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that
8 the grantee provide and expend a matching fund; establishing a deadline for the
9 encumbrance or expenditure of the loan proceeds; and providing generally for
10 the issuance and sale of bonds evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Prince
15 George’s County – North Brentwood Town Hall and Recreation Facility Loan of 2007
16 in a total principal amount equal to the lesser of (i) \$500,000 or (ii) the amount of the
17 matching fund provided in accordance with Section 1(5) below. This loan shall be
18 evidenced by the issuance, sale, and delivery of State general obligation bonds
19 authorized by a resolution of the Board of Public Works and issued, sold, and delivered
20 in accordance with §§ 8–117 through 8–124 of the State Finance and Procurement
21 Article and Article 31, § 22 of the Code.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) The bonds to evidence this loan or installments of this loan may be sold
2 as a single issue or may be consolidated and sold as part of a single issue of bonds
3 under § 8–122 of the State Finance and Procurement Article.

4 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
5 and first shall be applied to the payment of the expenses of issuing, selling, and
6 delivering the bonds, unless funds for this purpose are otherwise provided, and then
7 shall be credited on the books of the Comptroller and expended, on approval by the
8 Board of Public Works, for the following public purposes, including any applicable
9 architects' and engineers' fees: as a grant to the Mayor and Town Council of the Town
10 of North Brentwood (referred to hereafter in this Act as "the grantee") for the design,
11 construction, capital equipping, reconstruction, repair, and renovation of the North
12 Brentwood Town Hall and Recreation Facility, located in North Brentwood.

13 (4) An annual State tax is imposed on all assessable property in the State in
14 rate and amount sufficient to pay the principal of and interest on the bonds as and
15 when due and until paid in full. The principal shall be discharged within 15 years
16 after the date of issuance of the bonds.

17 (5) Prior to the payment of any funds under the provisions of this Act for the
18 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
19 matching fund of \$305,000. No part of the grantee's matching fund may be provided,
20 either directly or indirectly, from funds of the State, whether appropriated or
21 unappropriated. No part of the fund may consist of real property or in kind
22 contributions. The fund may consist of funds expended prior to the effective date of
23 this Act. In case of any dispute as to the amount of the matching fund or what money
24 or assets may qualify as matching funds, the Board of Public Works shall determine
25 the matter and the Board's decision is final. The grantee has until June 1, 2009, to
26 present evidence satisfactory to the Board of Public Works that a matching fund will
27 be provided. If satisfactory evidence is presented, the Board shall certify this fact and
28 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
29 equal to the amount of the matching fund shall be expended for the purposes provided
30 in this Act. Any amount of the loan in excess of the amount of the matching fund
31 certified by the Board of Public Works shall be canceled and be of no further effect.

32 (6) The proceeds of the loan must be expended or encumbered by the Board
33 of Public Works for the purposes provided in this Act no later than June 1, 2014. If any
34 funds authorized by this Act remain unexpended or unencumbered after June 1, 2014,
35 the amount of the unencumbered or unexpended authorization shall be canceled and
36 be of no further effect. If bonds have been issued for the loan, the amount of
37 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
38 8–129 of the State Finance and Procurement Article.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2007.